

Minutes
Personnel Policy Board
August 28, 2015
9:30 a.m.

Members Present: Ted Smith, Chair; Hon. Gail Hagerty; Susan Hoffer; Hon. James Hovey; Petra Mandigo Hulm; Hon. Lisa Fair McEvers; Carolyn Probst; and Ross Munns

Others Present: Sally Holewa, Ex Officio
Amy Klein, Staff
Jim Fox, Gallagher Benefit Services
Merylee Castellanos, Guest
Larry Zubke, Guest
Renee Barnaby, Minutes

Chair Ted Smith called the meeting to order at 9:30 a.m. and welcomed Jim Fox to the meeting. He then turned the meeting over to Mr. Fox for his presentation.

Compensation Study Presentation

Jim Fox said the Court System contracted with Gallagher Benefit Services (GBS) to conduct a compensation and benefits study. The objective of the study was to collect the salary/benefits data, review the salary grade placement, and determine if the current pay ranges and pay exception policies were accurate. He noted it was the court's goal to be in the 50th percentile. All job classifications were collected, benchmarks were selected and recommendations were provided based on the market data.

Out of the 34 comparable organizations used in the study, 17 responded. Established published salary surveys were also used to supplement the data. They used the standard of matching 70% of the job responsibilities and then collected the 50th percentile of actual salaries (minimum, midpoint and maximum) of all job matches. If data was received outside the state, it was adjusted to the Bismarck labor market using an index from the Economic Research Institute. For the positions in the oil region of the state, GBS suggested using a market premium of 15% to account for the higher cost of labor. All of the data was aged to July 2015. According to the U.S. Department of Justice guidelines, five job matches should exist per job in order to conduct an analysis or draw conclusions. Thus, fewer than five matches were not calculated.

GBS determined that the Court System's current salaries are highly competitive with the market and are within 5% of the market. The salary structure (midpoint and maximum) is well above the 50th percentile, which means GBS is not recommending the salary structure be adjusted in the next three years.

The data also showed that the salary ranges in the structure are inconsistent. This causes overlap

from one grade to the next which causes salary compression. GBS is recommending two options. Option one keeps the salary structure and adjusts positions to ensure they are in the correct pay grade. The cost to implement option one would be approximately \$72,400 annually. The disadvantage is that it is very inconsistent across the grade, which may cause compression in the future. GBS recommended some positions be adjusted upward and some downward. Some jobs have capped out and the market says the salary is higher than the salary grades available. GBS is recommending two additional grades (24 and 25) be added to the current structure to eliminate compression. Over time, if the top jobs are capped, the lower jobs will keep increasing and will cause a pay compression issue.

Option two is a new salary structure based on the market with consistent ranges between the grades. The advantage is it reduces compression. The disadvantage is there are cost implications and it eliminates Bjorklund's system. The new structure would have 15 grades rather than 23, and there would be a 10% difference from one midpoint to the next. The number of steps would remain the same. The cost to implement option two could be approximately \$287,000.

Mr. Fox noted the Court System has a pay exception policy accelerating the steps for technology positions to help attract applicants. GPS recommends that the policy be eliminated, and the positions be put in the appropriate pay grade based on the market data or alignment of those positions. This ensures that all people are treated in the same fashion on an ongoing basis in terms of step increases from year to year.

With regard to the pay exception policy for the court reporter position which lowers the minimum requirements of the position to provide an opportunity for people with no experience to be hired at a lower step, GPS does not recommend changing the policy.

Mr. Fox stated with regard to benefits and paid holidays, the Court System is competitive with the market. With regard to sick days, the Court System is above market on the lower end and below market on the higher years of service. The Court System allows three days for bereavement and the market is at five.

Overall, Mr. Fox said that based on the research, the Court System should be competitive with market. However, there are many issues that impact an inability to hire.

Susan Hoffer said due to the inability to receive five matches on some of the classifications, she questioned if GPS had any valid information the Court System could use to make some assessments on those classifications. Mr. Fox indicated he has some data but did not have it with him. He said typically when not enough market data is received, the organization assigns a pay grade based on other jobs that are comparable in nature or have similar job complexity.

Ross Munns asked Mr. Fox to describe the methodology used to complete the surveys and what was done for follow up. Mr. Fox stated the surveys were mailed and then follow up phone calls were made – many went with no response. Mr. Munns pointed out that there is inconclusive data

for a significant number of positions – many that did not achieve the necessary threshold of five matches. He asked Mr. Fox if there is a list of how many matches exist for each of the positions that came back as inconclusive. Mr. Fox explained that information does exist but he did not have it with him at the time. Mr. Munns also asked whether was consideration to expand the sample size of other state judicial systems – given the problems to achieve conclusive data for so many positions. Mr. Fox explained the group sent surveys to 10 other state judicial systems; there was no consideration to expand the pool.

After discussion, it was moved by Judge Hagerty, seconded by Justice McEvers, to ask Amy Klein to assemble a packet for review at the next meeting that would incorporate the changes recommended regarding the technology positions, two additional steps, bereavement leave and sick leave. The motion carried.

It was the consensus of the Board to ask Ms. Klein to identify the different options available as it relates to the hiring challenges with the career ladder I positions.

Minutes

It was moved by Judge Hagerty, seconded by Judge Hovey, to approve the minutes of May 29 and July 2, 2015, meetings. With the correction of the typographical error, the minutes were approved.

Guardianship Monitoring Program Director

Sally Holewa said the Guardianship Monitoring Program Director is one of the positions recently approved by the Legislature. The position will be responsible for establishing the criteria for the guardianship monitoring program; performing audits of accounts based on referrals from judges or the public; and contacting court visitors to perform post-judgment visits to the wards. The proposed pay grade for the position is 19.

Ted Smith noted a typographical error under the Job Classification History section.

After general discussion, it was moved by Judge Hagerty, seconded by Justice McEvers, to approve the Guardianship Monitoring Program Manager classification.

Judge Hovey suggested that conservatorships also be included in the program. Ms. Holewa stated that while the program may be expanded in the future, it is not statutorily approved to include conservatorships at this time. She added the impetus for the program comes from large national studies where family or professional guardians were systemically stealing from their wards under the supervision of the court.

The motion carried and will be sent to the Supreme Court for consideration.

Reclassification Request

Larry Zubke is requesting that one of the positions currently classified as a Technology

Coordinator or Technology Support Specialist be reclassified as a Network Analyst position. The reclassification is requested to provide extra support to the audio and video equipment and software. The Court System has over 100 digital audio recording systems and over 20 video conferencing systems statewide and the support requirements are becoming unmanageable. He said there have been several incidents where the courtroom recording equipment failed and the staff could not keep up with the demands. Reclassifying the position would not change the total number of FTEs for the department and the fiscal impact would be minimal.

It was moved by Petra Hulm, seconded by Justice McEvers, to approve the request. The motion carried and will be sent to the Supreme Court for consideration.

Retention Pay for Bailiffs

Sally Holewa recalled the Board recently discussed retention pay as a way to offset the lack of steady work and unpredictable schedules for bailiffs. After discussing the idea with the director of finance, it was determined that the bailiff position does not fall within the guidelines for retention bonuses under N.D.C.C. § 54-06-31. No action was taken by the Board.

Sick Leave

Under the Sick Leave Policy 128, there is an error in the months of service in the leave accrual table in section C.4.a.

It was moved by Petra Hulm, seconded by Justice McEvers, to correct the error. The motion carried. Because it is a clerical error, it will not be sent to the Supreme Court for consideration.

The changes to Administrative Rule 33 will be held over until the next meeting.

The meeting adjourned at 12:00 p.m. Revolutionary Text will demonstrate their remote court reporting system at 1:30 p.m. and the Court Technology Committee has been invited to attend.